

Price Strategy Execution:

Who is responsible for pricing strategy implementation?

Retail reps are responsible for implementing price strategy in all stores they work.

In stores not supported by retail reps, sales reps are responsible for managing price strategy. Sales reps are expected to manage price strategy creatively by leveraging their relationships with jobbers, direct accounts, store managers, etc. to ensure that appropriate discounts are translated to those calls effectively and efficiently.

Why are there stores with no retail rep support?

We want to ensure that retail reps are allocated to the stores where they can and will be most effective. Therefore, in about 30% of high in-store control calls, a sales rep will not have retail rep support. In those calls, we are expecting sales reps to manage price strategy effectively using the most appropriate resources as described above, including appropriate contingency measures. If retail reps can increase their call counts, then the number of unsupported stores can be reduced. However, we don't want that to reduce a sales rep's efforts to creatively leverage other appropriate resources to increase effectiveness and efficiency.

Price Strategy Questions:

Why are we answering price questions in our accounts?

Because we need a tracking system to ensure we achieve our target of having 85% of industry volume "within strategy". Price Strategy questions are obtained from approximately 20,000 stores representing various retail accounts. Price questions are viewed weekly by myself, AVPs, and RSMs to determine whether or not we are executing our pricing strategies and what competitive pricing activities exist.

Will the price strategy questions be targeted to the right people in the field?

Yes. Initially we goofed and targeted the price strategy questions to sales reps. We have corrected that, and the questions will show up in retail reps' Poquets. They will not be targeted to sales reps. However it may still take a few days before that is 100% correct. This is due to several things including how often retail reps communicate and how long it takes for all the necessary equipment swaps to take place.

What about price strategy questions in stores not supported by retail reps?

Price strategy questions will only be targeted to retail reps. Therefore, the 30% of high in-store control calls not supported by retail reps will not receive price strategy questions.

What happens when a retail rep, who has a price question in a particular store, is realigned to a different store?

SIS reevaluates each week which accounts should receive the price strategy question. If a retail account is not supported by a retail rep, the question will no longer appear in this account.

Why do my price strategy survey calls change every so often?

We want to make sure that the calls we get price strategy questions from are representative of all SIS stores we call on. But stores get reclassified into new segments from time to time, their weekly carton volumes get updated, some stores close, new stores open, etc. Therefore, once a quarter, we reevaluate all the SIS stores that we call on and select a new subset of stores to direct the price strategy questions to. **The next scheduled update will begin October 1. Therefore, the first week in October, retail reps will begin to see the price strategy questions in different calls.**

How do I answer the price strategy questions in a store that has a chain buydown?

If you enter a chain store and the KAM indicates that a buydown is supposed to be in place, enter the base prices and discount values that are **actually in effect** in that store at the time of your call. If the buydown is present, enter the amount of the buydown as the discount value. If the buydown is not in effect, that is if the consumer has to pay full price, then enter zero as the discount value present, even if you know a discount is supposed to be in effect. If there is a buydown in effect, but its value is less than you know is supposed to be the case, enter the value of the discount actually present.

As with any store if no discount is present, enter zero for the discount value unless you work a discount. In that case enter the value of the discount you work.

What do I do if a call does not sell packs or cartons?

If a call does not sell packs, enter zero for all pack prices and all pack discounts. This lets SIS know that packs are not in distribution in that outlet. Likewise if a call does not sell cartons, enter zero for all carton prices and carton discounts. This tells SIS that cartons are not in distribution in that outlet. This approach is consistent with our practice of entering zero for prices and discount values for any brand that is not in distribution in a call.